

P-999/CI-92-992 ORDER ESTABLISHING CONDITIONS FOR THE PROVISION  
OF CUSTOM LOCAL AREA SIGNALING SERVICES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair  
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In the Matter of a Commission  
Initiated Investigation into the  
Provision of Custom Local Area  
Signaling Services in Minnesota

ISSUE DATE: June 17, 1993

DOCKET NO. P-999/CI-92-992

ORDER ESTABLISHING CONDITIONS  
FOR THE PROVISION OF CUSTOM  
LOCAL AREA SIGNALING SERVICES

**PROCEDURAL HISTORY**

**I. Proceedings to Date**

On August 28, 1992 the Commission issued an Order opening an investigation into whether, and under what conditions, Minnesota telephone companies should be allowed to provide Custom Local Area Signaling Services.<sup>1</sup> These services, popularly known as CLASS services, give subscribers new ways to monitor and control incoming and outgoing calls. Since the services operate by capturing (and sometimes disclosing) the number of the calling party, they change the traditional relationship between caller and callee, raising privacy issues and changing settled expectations. The best-known and most controversial CLASS service is Caller ID, which gives called parties the originating telephone numbers of incoming calls.

The Commission opened the investigation because it was clear that Minnesota telephone companies would soon begin filing requests to offer CLASS services. (In fact, the Commission had just authorized Mankato Citizens Telephone Company to conduct a six-month trial of CLASS services within the Mankato exchange.)<sup>2</sup> Since CLASS services raise major policy issues common to all companies, the Commission concluded it would be best to address them in a generic proceeding.

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<sup>1</sup> Custom Local Area Signaling Services is a term coined by BELLCORE for services offered by the Bell Operating Companies. Other local exchange carriers offer these services under different names. In the interest of simplicity, the Commission will refer to these services using BELLCORE terminology.

<sup>2</sup> In the Matter of Mankato Citizens Telephone Company's Proposal to Study Custom Local Area Signalling Services, Docket No. P-414/M-92-576, ORDER APPROVING STUDY AS MODIFIED (August 24, 1992).

The August 28 Order invited comments from interested persons and established filing deadlines. Initial comments were to be filed within 60 days; reply comments were to be filed 30 days later. The following parties filed formal comments: the Minnesota Department of Public Service; the Residential Utilities Division of the Office of the Attorney General; the Minnesota Telephone Association; the Minnesota Business Utility Users Council; the Minnesota Coalition for Battered Women; Richard Neumeister; David Frankel; Charles Baker; U S WEST Communications, Inc.; Vista Telephone Company of Minnesota; GTE North - Minnesota and Contel of Minnesota d/b/a GTE Minnesota; and AT&T Communications of the Midwest, Inc.

The Commission also received 32 letters and 169 phone calls from members of the public. The public focused almost exclusively on a single service, Caller ID, with opinion fairly sharply and evenly divided.

The Commission held hearings in the matter on May 6 and May 7, 1993. Formal parties presented oral argument; members of the public presented oral comments. The Commission met to consider the matter on May 12, 1993.

Having reviewed the entire record in this proceeding, and having heard the arguments of counsel and the comments of the public, the Commission finds that it is in the public interest to authorize CLASS services in Minnesota, for the reasons and under the conditions set forth below.

## **FINDINGS AND CONCLUSIONS**

### **II. Description of CLASS Services**

CLASS services are enhanced services delivered by new "out of band" technology which allows the network to carry more information about each call, and to offer more options for handling each call, than was possible in the past. There are eight basic CLASS services, described below. Operational details vary from company to company. Not every company has the capacity to offer or chooses to offer every facet of every service. Over 30 states have authorized the provision of CLASS services in some form.

#### **A. Caller ID**

Caller ID is the CLASS service with the greatest potential to change existing communication patterns. The service transmits to the called party the number of the telephone line from which the call is placed. With the necessary software, it can also transmit the name of the line's subscriber. The name and number appear on the display line of a small electronic terminal attached to the customer's telephone or inside wiring. Caller ID also transmits the originating numbers (and names if applicable),

dates, and times of all unanswered calls. This information is stored and displayed by the electronic terminal.

CLASS technology makes it possible for callers to block the transmission of their names and numbers, either on a per-call or per-line basis. Calls for which the caller has blocked the originating information appear on the terminal display as "private" or "anonymous." Callers using blocked lines can "unblock" individual calls, assuming available technology is in place.

CLASS technology also makes it possible for subscribers to refuse all "blocked" calls before they are completed. This feature is called Anonymous Call Rejection.

#### **B. Last Call Return**

Last Call Return allows a called party to call the originating number of the last unanswered call by dialing a standard code. If the originating number is busy, Last Call Return software will keep trying to place the return call for 30 minutes. Last Call Return also typically gives the called party the originating number of the last unanswered call.

#### **C. Continuous Redial**

Continuous Redial allows a caller to continue trying to reach a busy number without continuing to redial manually. The feature is activated by dialing a standard code. Once activated, system software keeps redialing the number, whether or not the caller's line is in use, for 30 minutes. When the line being called is open, the software signals the calling party.

#### **D. Priority Call**

Priority Call allows a subscriber to assign a distinctive ring and a distinctive call waiting signal for calls from up to 15 originating numbers. The subscriber can program the software himself or herself to change the designated numbers at any time.

#### **E. Selective Call Acceptance**

Selective Call Acceptance allows subscribers to program their telephones to prevent the completion of all calls except those from designated numbers. The subscriber can designate up to 15 originating numbers and can change them at will. The feature can be used as frequently or infrequently as the subscriber chooses.

#### **F. Selective Call Rejection**

Selective Call Rejection allows subscribers to designate up to 15 originating numbers from which they will not accept calls. It also allows subscribers to add to the list of rejected numbers the originating number of the last call received, whether or not the subscriber knows that number.

## **G. Selective Call Forwarding**

Selective Call Forwarding allows a subscriber to program his or her telephone to automatically forward calls from up to 15 originating numbers to a different telephone number. The subscriber can reprogram the list of designated numbers at any time.

## **H. Call Trace**

Call Trace allows a subscriber to establish a record of the time, date, and originating number of a call he or she believes should be traced. The service is activated by dialing a standard code. Tracing is effective whether or not the caller blocked the transmission of originating information. The originating number is not released directly to the subscriber, but is available for the use of law enforcement authorities. Some companies offer mediation or intervention services to customers experiencing harassing or annoying calls. With customer consent, the originating number is also available to company employees providing these services.

## **III. Summary of Commission Action**

The Commission finds that there are no legal barriers to the provision of CLASS services in Minnesota. The Commission finds that the benefits of CLASS services outweigh their drawbacks and that they are in the public interest, subject to regulatory safeguards to protect the vulnerable and maximize consumer choice. The Commission will establish those safeguards and will set conditions on CLASS services to serve the following goals: to promote public understanding of CLASS services; to prevent improper use of information obtained through CLASS services; to ensure that appropriate distinctions between business and residential customers are maintained; and to develop a solid base of information on the performance of these services in Minnesota.

## **IV. The Legality of CLASS Services**

The Residential Utilities Division of the Office of the Attorney General (RUD-OAG) questioned the legality of CLASS services' transmission of originating information in the absence of affirmative consent by the calling party. (The called party has consented by purchasing CLASS services.) These concerns were based in part on the Minnesota Privacy in Communications Act, Minn. Stat. §§ 626A.01 et seq. (1992), and in part on constitutional privacy rights. The RUD-OAG believed these concerns required polling subscribers on whether they wanted originating information transmitted for their outgoing calls and installing line blocking for all subscribers who answered no and for all subscribers who failed to respond. The Department and Richard Neumeister expressed similar concerns.

The Commission finds no statutory or constitutional barrier to authorizing CLASS services without the blocking requirements advocated by the RUD-OAG.

While the Commission has conducted its own analysis of the legality of CLASS services, the Commission notes that its conclusion that CLASS services are legal is shared by every court and regulatory commission which has considered the issue, with the exception of the Supreme Court of Pennsylvania. Furthermore, the Pennsylvania decision holds little relevance for Minnesota, since Pennsylvania's wiretap statute, unlike Minnesota's, requires the consent of all parties to a conversation for lawful interception to occur. Barasch v. Public Utility Commission, 605 A.2d 1198 (Pa. 1992).

## **A. The Privacy in Communications Act**

The provisions of the Privacy in Communications Act at issue generally prohibit the "interception" of telephone communications and the use of devices to record the originating and terminating numbers of telephone communications. Minn. Stat. §§ 626A.02, subd. 1 (a); 626A.35, subd. 1. Both prohibitions are lifted with the consent of one party to the communication. Minn. Stat. §§ 626A.02, subd. 1 (d); 626A.35, subd. 2 (3).

### **1. The Prohibition Against "Interception"**

The Commission finds that CLASS services' transmission of originating information about incoming calls does not constitute an interception within the meaning of the statute. The statute defines "intercept" as follows:

**Intercept.** "Intercept means the aural or other acquisition of the contents of any wire, electronic, or oral communication through the use of any electronic, mechanical, or other device.

Minn. Stat. § 626A.01, subd. 5 (1992), emphasis added.

It defines "contents" as follows:

**Contents.** "Contents," when used with respect to any wire, electronic, or oral communication, includes any information concerning the substance, purport, or meaning of that communication.

Minn. Stat. § 626A.01, subd. 8 (1992).

The Commission finds that the "contents" of a communication relate to what was said, not by whom it was said, to whom it was said, or the numbers of the telephone lines over which it was said. The words "substance, purport, and meaning" all relate to the message itself, not the identities of the parties. The United States Supreme Court reached the same conclusion in United States v. New York Telephone Company, 434 U.S. 159 (1977), although the Court in that case was addressing different issues.

The Commission also finds that, even if the identities of the parties were considered part of a communication's "contents," CLASS services would fall under the statutory exception allowing interception with the consent of one party:

It is not unlawful under this chapter for a person not acting under color of law to intercept a wire, electronic, or oral communication where such person is a party to the communication or where one of the parties to the communication has given prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the constitution or laws of the United States or of any state.

Minn. Stat. § 626A.02, subd. 2 (d) (1992).

## **2. The Prohibition Against Trap and Trace Devices**

The Privacy in Communications Act also generally forbids the use of trap and trace devices, which are defined as follows:

**Trap and Trace Device.** "Trap and trace device" means a device which captures the incoming electronic or other impulses that identify the originating number of an instrument or device from which a wire or electronic communication was transmitted.

Minn. Stat. § 626A.39, subd. 4 (1992).

Caller ID, and CLASS services generally, capture and identify the originating numbers of incoming calls. CLASS technology therefore operates as a trap and trace device within the meaning of the Privacy in Communications Act. However, the Act clearly allows the installation and use of a trap and trace device with the consent of the subscriber to the line on which it is installed:

**Exception.** The prohibition of subdivision 1 [against the installation of a trap and trace device] does not apply with respect to the use of a pen register or a trap and trace device by a provider of electronic or wire communication service:

(3) where the consent of the user of that service has been obtained.

Minn. Stat. § 626A.35, subd. 2 (1992).

The Commission finds the language of the statute clearly allows the use of trap and trace technology with the consent of the subscriber. It does not require the consent of every subscriber who calls the line on which the technology has been installed. The Commission concludes CLASS services do not run afoul of the Privacy in Communications Act.

## **B. Constitutional Considerations**

No party seriously challenged the constitutionality of authorizing the provision of CLASS services. Parties did, however, refer to constitutionally protected privacy rights as consistent with protecting the privacy of telephone numbers.

The Commission believes there are no constitutional barriers to authorizing CLASS services for two reasons: first, regulatory decisions governing the provision of service by private companies generally do not constitute state action and do not involve constitutional rights; and second, the interest in limiting disclosure of one's telephone number does not rise to the level of the fundamental privacy interests protected by the Constitution. These principles were explained in detail by the South Carolina Supreme Court, which addressed the constitutionality of CLASS services in Southern Bell Telephone and Telegraph Company v. Hamm, 409 S.E.2d 775 (S. Car. 1991). The Commission concurs with the Court's analysis in that case.

The absence of constitutional constraints does not denigrate the seriousness of the privacy issues raised by interested parties, however. The Commission has considered privacy interests carefully in its analysis of whether CLASS services are in the public interest.

## **V. Public Interest Analysis**

### **A. Introduction**

Caller ID is the only CLASS service to generate significant controversy and public comment in this proceeding. (Last Call Return caused controversy only to the extent that it, like Caller ID, discloses the originating number of the calling party.) Since all significant issues raised by CLASS services are raised by Caller ID, the Commission will focus on Caller ID in determining whether CLASS services are in the public interest.

By giving a called party the number of the line on which a call originates (and sometimes the name of the line's subscriber), Caller ID shifts the existing balance of power and privacy between caller and called party. Although different blocking options will change the degree to which the shift occurs, the shift is basically in favor of the called party. Caller ID gives called parties more information about each call than is currently available, allowing them to make more informed choices about whether or not to answer. It reduces the need to answer "just in case." It also deprives callers of the ability to prevent reciprocal contact by not disclosing their telephone numbers. It changes the terms under which people communicate by telephone.

The practical effects of Caller ID cannot be fully understood without a significant amount of experience with the service in operation. Parties on both sides of the issue are in general agreement, however, on what its potential benefits and drawbacks



appear to be. They disagree on how those benefits and drawbacks should be balanced in determining the public interest.

## **B. Benefits of Caller ID**

Caller ID can be a valuable time management/personal control tool for business and residential customers. Eliminating the need to treat every call as equally important can free small business owners for more productive activities and give residential customers more privacy and tranquility in their homes. Caller ID also appears to discourage harassing and obscene calls; reports of such calls have dropped in other jurisdictions in exchanges in which Caller ID has been introduced. Also, several members of the public who commented in this proceeding said they had received threatening or distressing calls they could have avoided had they known the originating number of the call.

Caller ID also provides public safety and personal security benefits. Without Caller ID, emergency calls to hospitals, poison control centers, and other emergency facilities without enhanced 911 capability cannot be traced, at least not expeditiously. With Caller ID, it is possible to locate people who call those facilities and are then unable to provide location information. Caller ID can also be helpful to persons with disabilities that prevent them from getting to the phone before the last ring. The record of originating numbers of missed calls can help combat the frustration and isolation often produced by limited mobility.

Finally, a representative of Minnesotans with hearing impairments of different severities stated Caller ID would be a useful tool for them. The record of missed calls would be helpful, since hearing impaired persons often miss the ringing or flashing light signifying a phone call. The simultaneous transmission of originating information would be also be helpful, since hard-of-hearing persons who use standard telephones often have difficulty recognizing callers' voices.

## **C. Drawbacks of Caller ID**

Clearly, the most significant drawback of Caller ID is its potential to jeopardize the safety and emotional security of people who have been the targets of domestic violence. These people are often legally unable to end all contact with their abusers and remain in danger if their whereabouts are known. Inadvertent disclosure of a victim's telephone number could endanger him or her; inadvertent disclosure of a shelter's telephone number could endanger all residents and jeopardize the viability of the shelter itself. For these reasons, organizations serving battered women and other victims of domestic violence have filed comments opposing Caller ID.

Law enforcement agencies have expressed concern about protecting undercover operations from inadvertent disclosure, but appear to have concluded blocking technology will provide adequate protection.

Opponents of the service argue that Caller ID could have a chilling effect on people's willingness to seek sensitive medical, mental health, social, and legal services. They argue that it could burden professionals who need to contact clients or patients from their homes, but do not wish to disclose their home telephone numbers.

The service's opponents also see grave potential for its abuse by businesses, and even by government agencies. They fear businesses and agencies would "redline" certain callers, or classes of callers, and refuse calls they have an obligation to accept. They are concerned that businesses might compile consumer profiles on callers and sell them, causing a proliferation of annoying telephone solicitations and counteracting the benefits of Caller ID for residential customers.

Finally, opponents object on privacy grounds to the automatic transmission of originating telephone numbers. They believe telephone numbers are private, by tradition and common understanding, and that Caller ID flies in the face of that cultural norm. In their view, Caller ID provides material benefits to a few and compromises the privacy of many.

#### **D. Balancing the Interests**

The Commission has balanced the competing claims for and against Caller ID and other CLASS services and concludes that the introduction of CLASS services is in the public interest, subject to regulatory safeguards to protect the vulnerable and maximize consumer choice.

The fact that Caller ID changes traditional expectations and relationships does not mean that it should be prohibited. Technological advances always carry the potential for change. In this case the status quo -- the network's failure to provide any originating information about incoming calls -- is an accident of technology, not the result of a conscious policy decision. The anonymity with which telephone calls can be placed today is the result of direct dialing technology. Before that technological advance, all calls were operator-assisted, and callers' identities were much less private.

Furthermore, the Commission sees no sound policy basis for treating as the norm the practice of placing calls without simultaneously disclosing one's identity. Determining identities is an initial step in any two-way communication; prompt disclosure of the calling party's identity will generally benefit both parties.

Of course, the complicating factor is that Caller ID does not disclose the caller's identity; it conveys information about the access line from which the call is placed -- its number and, in some cases, the name of the line's subscriber. This disclosure is not altogether innocuous. People often wish to limit the release of their telephone numbers, for the same reasons they

like to know who is calling when the phone rings. They want to protect the privacy of their homes from unwelcome intrusions. Ironically, Caller ID carries the potential both for greater control over unwanted calls and for more unwanted calls. For these reasons, both supporters and opponents of Caller ID relied on the privacy of the home as an argument in support of their positions.

The Commission believes regulatory safeguards can avert the dangers and prevent the abuses unrestricted Caller ID could inspire. Line blocking, together with vigorous educational efforts and direct contacts with social services providers, can ensure adequate protection to persons who have experienced domestic violence. Standard tariff provisions can prohibit the sale of Caller ID data and the violations of consumer privacy that would entail. The security of law enforcement undercover operations can be protected by requiring telephone companies to contact local law enforcement agencies before the service goes into effect.

Similarly, as long as callers have and understand the option of blocking the transmission of originating information for their calls, the "chilling effect" on sensitive communications should not materialize. Neither should professionals be deterred from using their home phones to serve patients and clients. Individuals can weigh the privacy value they place on their telephone numbers and block or not block accordingly. Although blocking could also prevent businesses or government agencies from "redlining" or practicing discrimination in telephone contacts with the public, the Commission considers these concerns speculative and will not presume that businesses or government agencies would conduct themselves in clear violation of law and public policy.

Given the Commission's ability to protect the vulnerable through blocking technology, education, and tariff requirements, the Commission will authorize Caller ID. The Commission will closely monitor the service's performance over the next three years to ensure prompt correction of any unforeseen problems or abuses.

#### **E. Blocking Requirements**

The record in this proceeding shows that Caller ID will meet the perceived needs of some customers, be of no consequence to some, and be a source of irritation to others. The Commission concludes that consumers should have as much choice as possible about how they are affected by the service. Persons willing to pay to have information about incoming calls should be able to do so; persons wishing to withhold originating information from called parties should be able to do so; and the public's response to these options should be a controlling factor in future decisions about the form the service should take. Maximizing consumer choice is a goal the Commission generally affirms. It is especially appropriate in this case.

## **1. Residential Blocking**

The Commission believes that every residential customer should have access to per-line and per-call blocking and will so require. Per-call blocking will be available free of charge to all residential customers at all times. Per-line blocking will be available at all times for a one-time, cost-based service order fee. This fee will be waived for at least one 90-day period at the introduction of the service, and for a 90-day period for new customers joining the network. Per-call and per-line blocking shall be fully operational on the day the service goes into effect.

To ensure informed consumer choice, companies introducing Caller ID will be required to engage in vigorous educational programs before the service goes into effect. Since billing schedules (and billing insert schedules) are staggered for some companies, the Commission will require that each customer receive educational materials on Caller ID and have a chance to opt for line blocking at least 30 days before the service becomes effective.

Customers will receive line blocking only if they choose it. Customers who indicate no choice will not receive it, although they, like all residential customers, will have full access to per-call blocking. The Commission believes that customers with a strong privacy interest in their telephone numbers will make an affirmative choice for line blocking. Customers who do not make an affirmative choice can be assumed to be indifferent, just as customers who do not request unlisted or unpublished numbers are assumed to be indifferent. In such cases the general policy of telephone number accessibility prevails.

Customers shall be allowed to remove line blocking without charge, in accordance with policies favoring telephone number accessibility and consumer choice.

## **2. Business Blocking**

Blocking originating information for business calls presents a different set of issues than blocking originating information for residential calls. Protecting the privacy of the home is the main reason for liberal residential blocking policies. Protecting the privacy of the home is rarely an issue for business customers; disclosure of business numbers rarely carries the risk of disrupting home life. Furthermore, as recent legislation directed at controlling telemarketing demonstrates, business calls are more often unwelcome intrusions on home life than personal calls. Finally, encouraging the transmission of originating information for business calls will increase the value of Caller ID to subscribers by reducing the number of calls they have to consider answering "just in case." For these reasons, blocking will be available to business customers on less generous terms than to residential customers.

The Commission will prohibit companies from providing per-line blocking to business customers in the absence of demonstrated need. Law enforcement agencies, shelters for battered persons, and government agencies engaged in undercover investigations are exempt from the requirement to demonstrate need; they will receive per-line blocking on request. Other customers shall demonstrate need under criteria set forth in company tariffs. Disputes about need for per-line blocking will be resolved by the Commission. Once need has been demonstrated (or assumed), per-line blocking will be provided free of charge.

At the request of business customers (but not without a request), companies may provide per-call blocking, subject to a per-call fee. Companies shall exempt from the fee customers who have demonstrated a need for per-call blocking, and law enforcement agencies, shelters for battered persons, and government agencies engaged in undercover investigations. As with per-line blocking, criteria for receiving free per-call blocking shall be set forth in company tariffs, and disputes will be resolved by the Commission.

The Commission believes these blocking requirements will protect the privacy of business subscribers (and their clients, patients, and customers), while still promoting the goal of providing called parties with as much information about each call as possible.

### **3. Last Call Return**

As mentioned earlier, Last Call Return raises serious privacy issues because, due to software anomalies, in some applications it transmits to the called party numbers that have been blocked. The Commission will prohibit companies from offering Last Call Return unless they have technology in place to prevent the transmission of blocked numbers.

## **VI. Regulatory Classification**

In 1987 the Minnesota Legislature enacted legislation classifying specified telephone services as "emergingly competitive" and establishing a procedure whereby these or other services could be classified as "effectively competitive." Minn. Stat. § 237.59 (1992). Services in either of these two categories were made subject to streamlined regulatory procedures, on the assumption that market forces would help keep prices low and quality high. Trusting the discipline of the marketplace to supplement regulation, the Legislature made filings on competitive services subject to less intense scrutiny and shorter time frames than filings on noncompetitive services. Minn. Stat. §§ 237.57-.61 (1992). One of the categories of services classified as "emergingly competitive" under the 1987 legislation was "services not previously offered prior to August 1, 1987." Minn. Stat. § 237.59, subd. 1 (18) (1992). Many parties in this proceeding argued that CLASS services fall into this category. The Commission disagrees.

First, many CLASS services were offered, in different forms and under different names, prior to August 1, 1987. Priority Call (its distinctive Call Waiting component) and Selective Call Forwarding are variations and refinements of Call Waiting, a custom calling feature available before August 1, 1987. Call Trace provides the same service that has long been available through mechanical trap and trace devices; providing the service through upgraded technology does not make it a new service. At most, then, CLASS services are a combination of new and old, competitive and noncompetitive services.

When dealing with past cases involving both competitive and noncompetitive services or service elements, the Commission has found the most reasonable approach is to treat the entire service package as noncompetitive.<sup>3</sup> The Commission continues to consider this the best approach. If the competitive and noncompetitive aspects of a proposal are so inextricably linked that the company cannot separate them for filing or marketing purposes, it makes little sense for the Commission to try to separate them in examining a proposal to offer them. It is also sound regulatory policy to resolve any doubt about the classification of a service or service element in favor of noncompetitive treatment and full regulatory protections. Finally, treating combination services as noncompetitive removes the risk of companies attempting creative "bundling" of competitive and noncompetitive services and service elements to evade proper classification and review.

The Commission is particularly comfortable with treating CLASS services as noncompetitive, since in reality they are technical improvements on basic local service. Their purpose is to make local service more responsive to contemporary needs for greater control over incoming calls. They are, at their core, basic local services.

Finally, at present CLASS services are offered only by local exchange carriers operating in a monopoly environment. It would be at odds with the spirit of the 1987 legislation to classify such services as emergingly competitive. If in the future competitors emerge, the Commission, on its own motion or at the request of any party, can begin a proceeding to consider classifying CLASS services as emergingly competitive. Minn. Stat. § 237.59, subd. 2 (1992).

## **VII. Conditions Under Which CLASS Services May Be Offered**

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<sup>3</sup> In the Matter of U.S. Link Proposing to Offer Operator Services and a New Pricing Plan for Associated Toll Services, Docket No. P-645/EM-91-112, ORDER AUTHORIZING OPERATOR SERVICES AND ASSOCIATED TOLL SERVICES (June 19, 1991). See also, In the Matter of a Proposal by Teleconnect to Make Several Changes in its Minnesota Price List, Docket No. P-478/EM-90-163, ORDER APPROVING TWO PRICE LIST CHANGES AND DISAPPROVING PRICE INCREASES FOR TRAVEL SERVICE AND DIRECTORY ASSISTANCE (November 8, 1990).

The Commission will authorize CLASS services subject to regulatory conditions designed to protect the vulnerable, maximize consumer choice, and provide a solid base of information to guide future decisionmaking. In addition to the blocking requirements detailed above, the Commission will impose the following requirements.

#### **A. Public Education**

Public understanding of CLASS services is crucial to its success and to avoiding customer confusion. The Commission will therefore require that any application to provide CLASS services include a detailed description of a proposed public education program, including copies of materials the company plans to distribute to customers and members of the public.

#### **B. Law Enforcement Notification**

As noted above, companies will be required to notify all law enforcement agencies in their service areas of their intention to offer CLASS services before filing an application with the Commission to provide them.

#### **C. Protecting Consumer Privacy**

Companies offering CLASS services will be required to file proposed tariff provisions prohibiting the sale of data collected through Caller ID or other CLASS services.

Applications to offer Caller ID shall also include a detailed description of the security measures the company plans to use to protect from unauthorized disclosure calling party information stored in data bases in CLASS-equipped offices.

#### **D. Reporting Requirements**

The Commission will require annual reports from companies for the first three years they offer CLASS services, to ensure that any unforeseen problems or abuses are detected and corrected promptly. These reports will include the following information: the number of CLASS-equipped exchanges and access lines; the number of customers subscribing to each CLASS service; the number of subscribers who have chosen per-line blocking; the number of business customers that have requested per-call blocking; the number of subscribers, business and residential, who have used per-call blocking; and the total revenues collected from CLASS services.

The Commission will also require an annual report from the Department of Public Service to help the Commission evaluate the performance of CLASS services and identify any need for further regulatory action. That report will include the following information: a summary of the annual reports filed by telephone companies offering CLASS services; the Department's assessment of public acceptance of CLASS services, together with the factual basis for that assessment; and any Department recommendations on

how CLASS services should be structured or provided in the future.

### ORDER

1. The Commission authorizes the provision of CLASS services in Minnesota subject to the conditions set forth in this Order.
2. No company may offer CLASS services until its application to do so has been approved by the Commission.
3. Applications to provide CLASS services shall include at least the following items:
  - a. a detailed description of the services to be offered, including a list of exchanges where the services will be offered, and proposed rates and tariffs;
  - b. detailed description of a proposed public education program, including copies of materials the company plans to distribute to customers and members of the public;
  - c. a detailed description of the security measures it plans to use to protect from unauthorized disclosure calling party information stored in data bases in CLASS-equipped offices;
  - d. tariff provisions prohibiting the sale of data collected through Caller ID or other CLASS services;
  - e. a report on company contacts with local law enforcement agencies on company plans to offer Caller ID, including the response of law enforcement agencies.
4. No company may offer Last Call Return service until it has technology in place to prevent that service from transmitting blocked numbers.
5. All companies offering Caller ID shall implement the per-call and per-line blocking requirements applicable to business and residential customers set forth in the text of this Order.
6. All companies providing CLASS services shall file reports on or before March 1 of each of the first three years they offer CLASS services. Those reports shall include the following information:
  - a. the number of CLASS-equipped exchanges and access lines;



- b. the number of customers subscribing to each CLASS service;
  - c. the number of subscribers who have chosen per-line blocking;
  - d. the number of business customers that have requested per-call blocking;
  - e. the number of subscribers, business and residential, who have used per-call blocking;
  - f. the total revenues collected from CLASS services.
7. On or before May 1 of each of the first three years any company offers CLASS services in Minnesota, the Department of Public Service shall file a report on the operation of CLASS services, including at least the following information:
- a. a summary of the annual reports filed by telephone companies offering CLASS services;
  - b. the Department's assessment of public acceptance of CLASS services, together with the factual basis for that assessment;
  - c. any Department recommendations on how CLASS services should be structured or provided in the future.
8. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)